

ROSARY CHILD DEVELOPMENT
FINANCIAL STATEMENTS AND
ACCOUNTANT'S COMPILATION REPORT
JUNE 30, 2012 and 2011

CASCIO & SCHMIDT, LLC
Certified Public Accountants

ROSARY CHILD DEVELOPMENT

TABLE OF CONTENTS

	<u>PAGE</u>
ACCOUNTANT'S COMPILATION REPORT	1
STATEMENTS OF FINANCIAL POSITION	2
STATEMENTS OF ACTIVITIES	3
STATEMENTS OF FUNCTIONAL EXPENSES	4
STATEMENTS OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6 - 9
SUPPLEMENTAL SCHEDULES	
STATEMENT OF ACTIVITIES BY PROGRAM - 2012	11
STATEMENT OF ACTIVITIES BY PROGRAM - 2011	12
MANAGEMENT LETTERS	13

CASCIO & SCHMIDT, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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MEMBERS
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA CERTIFIED
PUBLIC ACCOUNTANTS

ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
Rosary Child Development

We have compiled the accompanying statements of financial position of Rosary Child Development (a nonprofit corporation) as of June 30, 2012 and 2011, and the related statements of activities, functional expenses and cash flows for the years then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilations in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The supplementary statements of activities for the years ended June 30, 2012 and 2011 on pages 11 and 12 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary statements have been compiled from information that is the representation of management. We have not audited or reviewed the supplementary statements and, accordingly, do not express an opinion or provide any assurance on such supplementary statements.

Cascio & Schmidt, LLC

Metairie, Louisiana
October 8, 2012

ROSARY CHILD DEVELOPMENT
STATEMENT OF FINANCIAL POSITION

June 30, 2012 and 2011

ASSETS

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
ASSETS		
Cash	\$ 56,316	\$ 46,737
Receivable, grants (Note B)	<u>12,000</u>	<u>12,000</u>
Total Assets	\$ <u>68,316</u>	\$ <u>58,737</u>

LIABILITIES AND NET ASSETS

LIABILITIES	-	-
NET ASSETS		
Unrestricted	\$ 56,316	\$ 46,737
Temporarily restricted	<u>12,000</u>	<u>12,000</u>
Total net assets	<u>68,316</u>	<u>58,737</u>
Total liabilities and net assets	\$ <u>68,316</u>	\$ <u>58,737</u>

See accompanying notes and Accountant's Compilation Report.

ROSARY CHILD DEVELOPMENT

STATEMENT OF ACTIVITIES

Year Ended June 30, 2012 and 2011

	Unrestricted	Temporarily Restricted	Total	June 30, 2011 Total
REVENUE				
Tuition	\$ 417,035	\$ -	\$ 417,035	\$ 444,182
Tuition - CCA grant	-	29,825	29,825	45,248
Department of Social Services - Food Program	-	47,200	47,200	51,312
Quality Rating Bonus	-	9,030	9,030	9,780
Early Head Start grant	-	-	-	22,280
Fund Raising	6,708	-	6,708	4,163
Building Fund	-	8,600	8,600	8,800
Unrealized tuition income (Scholarships)	5,000	-	5,000	16,679
Other	8,614	-	8,614	6,110
United Way grant	-	13,100	13,100	12,000
United Way designations	-	-	-	41
Net assets released from restrictions	<u>107,755</u>	<u>(107,755)</u>	<u>-</u>	<u>-</u>
Total Revenue	<u>545,112</u>	<u>-</u>	<u>545,112</u>	<u>620,595</u>
EXPENSES				
Salaries	286,774	-	286,774	282,496
Fringe benefits	36,022	-	36,022	39,493
Occupancy	60,325	-	60,325	76,897
Travel/Transportation	3,960	-	3,960	3,564
Program/Office supplies	9,177	-	9,177	5,735
Operating expenses, program	8,691	-	8,691	10,415
Operating expenses, general	9,548	-	9,548	8,369
Scholarships	5,000	-	5,000	16,679
Building renovations	8,601	-	8,601	10,449
Provincial assessment	55,095	-	55,095	102,833
Fund raising	3,728	-	3,728	2,145
Food	<u>48,612</u>	<u>-</u>	<u>48,612</u>	<u>53,073</u>
Total expenses	<u>535,533</u>	<u>-</u>	<u>535,533</u>	<u>612,148</u>
Increase (decrease) in net assets	9,579	-	9,579	8,447
Net assets, beginning of year	<u>46,737</u>	<u>12,000</u>	<u>58,737</u>	<u>50,290</u>
Net assets, end of year	\$ <u>56,316</u>	\$ <u>12,000</u>	\$ <u>68,316</u>	\$ <u>58,737</u>

See accompanying notes and Accountant's Compilation Report.

ROSARY CHILD DEVELOPMENT
STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2012 and 2011

	<u>Program Services</u>	<u>Supportive Services</u>		
	<u>Day Care</u>	<u>Management And General</u>	<u>Fund Raising</u>	<u>Total</u>
Year Ended June 30, 2012				
Salaries	\$ 234,621	\$ 52,153	\$ -	\$ 286,774
Fringe benefits	29,503	6,519	-	36,022
Occupancy	43,812	16,513	-	60,325
Travel/Transportation	2,560	1,400	-	3,960
Program/Office supplies	7,802	1,375	-	9,177
Operating expenses, program	8,691	-	-	8,691
Operating expenses, general	1,433	8,115	-	9,548
Scholarships	5,000	-	-	5,000
Building renovations	-	8,601	-	8,601
Provincial assessment	45,095	10,000	-	55,095
Fund raising	-	-	3,728	3,728
Food	<u>46,182</u>	<u>2,430</u>	<u>-</u>	<u>48,612</u>
Total expenses	<u>\$ 424,699</u>	<u>\$ 107,016</u>	<u>\$ 3,728</u>	<u>\$ 535,533</u>
Year Ended June 30, 2011				
Salaries	\$ 220,911	\$ 61,585	\$ -	\$ 282,496
Fringe benefits	30,884	8,609	-	39,493
Occupancy	57,672	19,225	-	76,897
Travel/Transportation	3,029	535	-	3,564
Program/Office supplies	4,502	1,233	-	5,735
Operating expenses, program	10,415	-	-	10,415
Operating expenses, general	-	8,369	-	8,369
Scholarships	16,679	-	-	16,679
Building renovations	-	10,449	-	10,449
Provincial assessment	84,463	18,370	-	102,833
Fund raising	-	-	2,145	2,145
Food	<u>50,298</u>	<u>2,775</u>	<u>-</u>	<u>53,073</u>
Total expenses	<u>\$ 478,853</u>	<u>\$ 131,150</u>	<u>\$ 2,145</u>	<u>\$ 612,148</u>

See accompanying notes and Accountant's Compilation Report.

ROSARY CHILD DEVELOPMENT

STATEMENT OF CASH FLOWS

Year Ended June 30, 2012 and 2011

Increase (Decrease) in Cash and Cash Equivalents	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Cash Flows from Operating Activities		
Increase in net assets	\$ 9,579	\$ 8,447
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Changes in assets and liabilities:		
(Increase) decrease in grants receivable	<u>-</u>	<u>-</u>
Cash Provided by Operating Activities	9,579	8,447
Cash Flows from Investing Activities	-	-
Cash Flows from Financing Activities	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	9,579	8,447
Cash and Cash Equivalents at Beginning of Year	<u>46,737</u>	<u>38,290</u>
Cash and Cash Equivalents at End of Year	\$ <u>56,316</u>	\$ <u>46,737</u>

See accompanying notes and Accountant's Compilation Report.

ROSARY CHILD DEVELOPMENT

NOTES TO FINANCIAL STATEMENTS

June 30, 2012 and 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

1. *Nature of Activities*

Rosary Child Development, a pre-school center, aims to provide children with opportunities for holistic growth in all areas of human development: spiritual-moral, psycho-social, intellectual, and physical. The center is child-centered. Within a well supervised educational environment, each child's needs and interests are attended to by providing enriching curriculum and nurturing environment.

2. *Financial Statement Presentation*

The corporation's financial statements are presented in accordance with requirements established by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) as set forth in FASB ASC 958. Accordingly, the net assets of the corporation are reported in each of the following classes: (a) unrestricted net assets, (b) temporarily restricted net assets, and (c) permanently restricted net assets.

The net assets and changes therein are classified as follows:

Unrestricted Net Assets - Contributions and other revenue and expenses for the general operation of its programs.

Temporarily Restricted Net Assets - Contributions and other revenues specifically authorized by the donor or grantor to be used for specific purposes.

Permanently Restricted Net Assets - Contributions subject to donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled and removed by actions of the Corporation pursuant to those stipulations. There were no permanently restricted net assets.

3. *Revenue Recognition*

Contributed support is reported as unrestricted or restricted depending on the existence of donor stipulations that limit the use of the support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as "net assets released from restrictions".

ROSARY CHILD DEVELOPMENT

NOTES TO FINANCIAL STATEMENTS - Continued

June 30, 2012 and 2011

4. Receivables

The corporation considers accounts receivable to be fully collectible since it is an unconditional promise to give. If amounts due become uncollectible, they will be charged to operations when that determination is made.

5. Property and equipment

It is the policy of the corporation to capitalize all property and equipment with an acquisition cost of \$5,000 or more.

6. Cash equivalents

For purposes of the statement of cash flows, the corporation considers all investments with original maturities of three months or less to be cash equivalents.

7. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

8. Fair values of Financial Instruments

Cash and cash equivalents carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those investments.

9. Subsequent Events

The subsequent events of the organization were evaluated through the date the financial statements were available to be issued (October 2, 2012).

10. Functional Allocation of Expenses

The expenses of providing program and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Certain of those expenses have been allocated among the program and supporting services benefitted based on allocation methods formulated by management of the costs involved.

ROSARY CHILD DEVELOPMENT

NOTES TO FINANCIAL STATEMENTS - Continued

June 30, 2012 and 2011

NOTE B - GRANTS RECEIVABLE

Grants receivable at June 30, 2012 consist of the following:

United Way for the Greater New Orleans Area	\$ <u>12,000</u>
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NOTE C - OCCUPANCY

The corporation rents it's operating facility for \$5,000 a month, based on ten months during the year. The rental expense, including utilities, for the year amounted to \$60,325 (\$76,897 for the year ended June 30, 2011).

NOTE D - IN KIND TRANSACTIONS

During the year ended June 30, 2012, scholarships awarded amounted to \$5,000 (2011 - \$16,679), which are included in the Statement of Activities.

NOTE E - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following at June 30, 2012:

United Way for the Greater New Orleans Area	\$ <u>12,000</u>
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NOTE F - FAIR VALUES OF FINANCIAL INSTRUMENTS

Statement of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), as set forth in FASB ASC 820-10, requires disclosure of the estimated fair value of certain financial instruments and the methods and significant assumptions used to estimate their fair value. Financial instruments within the scope of FASB ASC 820-10 are included in the table below.

ROSARY CHILD DEVELOPMENT

NOTES TO FINANCIAL STATEMENTS - Continued

June 30, 2012 and 2011

NOTE F - FAIR VALUES OF FINANCIAL INSTRUMENTS - Continued

		<u>Fair value Measurement of Reporting Date</u>		
		Quoted Prices in Active Markets for Identical Assets (<u>Level 1</u>)	Significant Other Observable Inputs (<u>Level 2</u>)	Significant Unobservable Inputs (<u>Level 3</u>)
Financial Assets:				
Cash and cash equivalents	\$ 56,316	\$ 56,316	\$ -	\$ -
Receivables	12,000	12,000		
Financial Liabilities:				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>\$ 68,316</u>	<u>\$ 68,316</u>	<u>\$ -</u>	<u>\$ -</u>

The assumptions to estimate fair values are as follows

1. Cash and cash equivalents carrying amounts reported in the Statement of Financial Position approximate fair values because of the short maturities of those instruments.
2. Receivables are carried at amounts that approximate fair value due to their short-term nature and generally negligible credit risk.

NOTE G - INCOME TAXES

The corporation is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code.

NOTE H - BOARD OF DIRECTORS COMPENSATION

The Board of Directors is a voluntary board, therefore, no compensation has been paid to any member.

SUPPLEMENTAL INFORMATION

ROSARY CHILD DEVELOPMENT
STATEMENT OF ACTIVITIES BY PROGRAM

For the year ended June 30, 2012

	<u>PROGRAM SERVICES DAY CARE</u>	<u>MANAGEMENT AND GENERAL</u>	<u>TOTAL</u>
REVENUE			
Tuition	\$ 333,635	\$ 83,400	\$ 417,035
Tuition - CCA grant	29,825	-	29,825
Department of Social Services - Food Program	47,200	-	47,200
Fund Raising	-	6,708	6,708
Building Fund	-	8,600	8,600
Unrealized tuition income (Scholarships)	5,000	-	5,000
Other	<u>1,962</u>	<u>15,682</u>	<u>17,644</u>
Total Self Generated Revenue	<u>417,622</u>	<u>114,390</u>	<u>532,012</u>
 United Way - Grant	 13,100	 -	 13,100
United Way - Designations	<u>-</u>	<u>-</u>	<u>-</u>
 Total Revenue	 <u>430,722</u>	 <u>114,390</u>	 <u>545,112</u>
EXPENSES			
Salaries	234,621	52,153	286,774
Fringe benefits	29,503	6,519	36,022
Occupancy	43,812	16,513	60,325
Travel/Transportation	2,560	1,400	3,960
Program/Office supplies	7,802	1,375	9,177
Operating expenses, program	8,691	-	8,691
Operating expenses, general	1,433	8,115	9,548
Scholarships	5,000	-	5,000
Provincial assessment	45,095	10,000	55,095
Fund raising	3,728	-	3,728
Food	<u>46,182</u>	<u>2,430</u>	<u>48,612</u>
Total expenses	<u>428,427</u>	<u>98,505</u>	<u>526,932</u>
 Increase (decrease) in net assets	 \$ <u>2,295</u>	 \$ <u>15,885</u>	 \$ <u>18,180</u>
 Building renovations		 \$ <u>8,601</u>	 \$ <u>8,601</u>

See Accountant's Compilation Report.

ROSARY CHILD DEVELOPMENT
STATEMENT OF ACTIVITIES BY PROGRAM

For the year ended June 30, 2011

	<u>PROGRAM SERVICES DAY CARE</u>	<u>MANAGEMENT AND GENERAL</u>	<u>TOTAL</u>
REVENUE			
Tuition	\$ 335,785	\$ 108,397	\$ 444,182
Tuition - CCA grant	45,248	-	45,248
Department of Social Services - Food Program	51,312	-	51,312
Quality Rating Bonus	4,890	4,890	9,780
Early Head Start grant	22,280	-	22,280
Fund Raising	-	4,163	4,163
Building Fund	-	8,800	8,800
Unrealized tuition income (Scholarships)	16,679	-	16,679
Other	<u>-</u>	<u>6,110</u>	<u>6,110</u>
Total Self Generated Revenue	<u>476,194</u>	<u>132,360</u>	<u>608,554</u>
United Way - Grant	12,000	-	12,000
United Way - Designations	<u>41</u>	<u>-</u>	<u>41</u>
Total Revenue	<u>488,235</u>	<u>132,360</u>	<u>620,595</u>
EXPENSES			
Salaries	220,911	61,585	282,496
Fringe benefits	30,884	8,609	39,493
Occupancy	57,672	19,225	76,897
Travel/Transportation	3,029	535	3,564
Program/Office supplies	4,502	1,233	5,735
Operating expenses, program	10,415	-	10,415
Operating expenses, general	-	8,369	8,369
Scholarships	16,679	-	16,679
Provincial assessment	84,463	18,370	102,833
Fund raising	2,145	-	2,145
Food	<u>50,298</u>	<u>2,775</u>	<u>53,073</u>
Total expenses	<u>480,998</u>	<u>120,701</u>	<u>601,699</u>
Increase (decrease) in net assets	\$ <u>7,237</u>	\$ <u>11,659</u>	\$ <u>18,896</u>
Building renovations		\$ <u>10,449</u>	\$ <u>10,449</u>

See Accountant's Compilation Report.

ROSARY CHILD DEVELOPMENT

MANAGEMENT LETTERS

June 30, 2012

Management letters were not issued regarding the compilation of the financial statements for the years ended June 30, 2012 and 2011.